

**DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

NOTICE OF VIOLATION

**IN THE MATTER OF THE NOTICE OF
VIOLATION ISSUED TO
POWER RESOURCES, INC.**

**dba\Cameco Resources (CR)
P.O. BOX 1219
GLENROCK, WY 82637**

DOCKET NO. 5131-13

Re: Highland Uranium Project, Insitu Uranium Operation, Permit No. 603

NOTICE

NOTICE IS HEREBY GIVEN THAT:


1. Notice of Violation (NOV) is being sent to you pursuant to Wyoming Statute (W.S.) §35-11-701(c)(i) which requires that a written notice shall be issued in the case of failure to correct or remedy an alleged violation.
2. Cameco Resources is the operator of the Highland Uranium Project insitu mine located in Converse County, Wyoming. On August 1, 2012, the Land Quality Division (LQD) received verbal notification of a confirmed excursion at monitor well FM-009 followed by a written report received on August 8, 2012. The June 2012 inspection cited two violations of the Noncoal Rules and Regulations related to the management of the excursion at well FM-009. A concern was that many of the header houses were stripped of all pipeline controls for wellfield bleed.
3. The Environmental Protection Agency (EPA) letter to the Department of Environmental Quality/Water Quality Division (DEQ/WQD) on September 11, 1991, provided concurrence with WQD's Class V designation for reclassification of groundwater and that the aquifer exemption for Wellfield F is restricted to the area within the ring of the ore zone monitoring wells. Note that movement of injection fluid that contaminates underground sources of drinking water is not allowed by the Federal Code of Regulations, Underground Injection Control, 40 CFR §144.12 and DEQ/WQD Chapter 8, Section 4(d)(viii)(B).
4. CR has not maintained the infrastructure and operational controls needed to prevent an excursion of lixiviant from leaving the monitor well ring in this portion of the F Wellfield. Failure to, at all times, properly operate and maintain all facilities and systems of treatment and control is a violation of Chapter 11, Section 9(a)(iv).
5. CR has failed to maintain an operational bleed in this portion of the F Wellfield to prevent the movement of fluid containing any contaminant into zones or intervals other than those authorized in the approved permit as required by Chapter 11, Section 11(d).
6. The excursion at well FM-009 is a violation of Chapter 11, Section 10(a)(i) which by reference restricts injection from Class III wells to production zones that have been classified by the DEQ as Class V aquifers under Chapter 8 of the WQD Rules and Regulations.
7. W.S. § 35-11-901(a) provides that any person who violates any provision of the Environmental Quality Act or any rule, standard, permit, license or variance adopted hereunder is liable to a penalty of ten thousand dollars (\$10,000) for each day of violation, which penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming.

NOTHING IN THIS NOTICE shall be interpreted in any way, limit or contravene any other remedy available under the Environmental Quality Act, nor shall this notice be interpreted as being a condition precedent to any other enforcement action.

SIGNED this 5th day of March, 2013



Todd Parfitt
Director
Department of Environmental Quality



Nancy Nuttbrock
Administrator
Land Quality Division

Please direct all inquiries regarding this Notice of Violation and Order to Mr. Robin Jones, Wyoming Department of Environmental Quality, Land Quality Division, Cheyenne Office, 122 West 25th Street, Cheyenne, WY 82002. Telephone No. (307) 777-8956.

CERTIFIED MAIL, RETURN RECEIPT REQUESTED #7012 1640 0000 8427 2754
DOCKET NO. 5131-13

cc: Robin Jones, District I